Section 7.1 Account Statements (Calculate New balance on a Charge Account)

**New Balance** =

Previous + Finance + New – (Payments + Credits)

Balance Charge Purchases

Section 7.2: Unpaid Balance Method (Find Finance Charge using the Unpaid Balance Method)

**Unpaid Balance** = Previous Balance – (Payments + Credits)

**Finance Charge** = Unpaid Balance × Periodic Rate

**New Balance** = Unpaid Balance + Finance Charge + New Purchases

Section 7.3 Calculate Finance Charge Using Average Daily Balance Method (No New Purchases Method)

**Average Daily Balance** = Sum of Daily Balances ÷ Number of Days *(Use Chart)*

**Finance Charge** = Average Daily Balance × Periodic Rate

**New Balance** = Unpaid Balance(*Previous Balance-(Payments +credits))* + Finance Charge + New

Purchases

Section 7.4 Calculate Finance Charge Using Average Daily Balance Method (New Purchases Included)

**Average Daily Balance** = Sum of Daily Balances ÷ Number of Days *(Use Chart)*

**Finance Charge** = Average Daily Balance × Periodic Rate

**New Balance** = Unpaid Balance + Finance Charge + New Purchases